SASOL'S JOINT PRESIDENTS AND CHIEF EXECUTIVE OFFICERS, BONGANI NQWABABA & STEPHEN CORNELL

2017 ANNUAL RESULTS ANNOUNCEMENT (MEDIA PRESENTATION)

MONDAY, 21 AUGUST 2017 AT 10H00
JOHANNESBURG

[BONGANI] Slide 3: INTRODUCTION

Good morning everyone, and thank you for joining us for Sasol's 2017 annual results presentation.

Sasol delivered a robust performance this year, notwithstanding the volatile macro-economic environment in which we operate. This is a testament to the strong team we have in place and the great work they have done, to position Sasol for long-term growth.

The results we will share with you today reflect that we are able to operate profitably, and generate healthy cash flows, at oil prices of US$40 per barrel.

Underpinning our 2017 results was operational and marketing excellence and disciplined cost control. Additionally, we have managed our financial risks through a very effective hedging programme and focused cash conservation.

These factors have enabled us to continue paying dividends to our shareholders.

[STEPHEN] Slide 4: What you will hear today (key messages)

Thank you for that introduction Bongani and good morning everyone.

Let us now turn to the key messages you'll hear from us today.

Despite an ongoing challenged environment for our business and industry, we delivered a robust all round performance.

The fundamentals of our business are sound, as reflected in our competitive cost base. Here, our cash and capital conservation, and costs savings programmes, continue to deliver against stretched targets.

To maintain our resilience, we are actively managing the balance sheet to protect, as well as strengthen it. We are enabling this through our heightened focus on activities to mitigate our exposure to macro-economic risks.

We recorded solid progress on our near- to medium-term strategy by driving our value-based growth projects in Southern Africa and North America. Both our Lake Charles Chemicals Project, in the United States, and the field development plan for the Production Sharing Agreement licence area, in Mozambique, remain on track.

Our stated intent, to be a credible partner to our stakeholders, energises us to play a constructive and meaningful role in all communities where we have a presence. To this end, delivering on our broader sustainability and stakeholder commitments is imperative.

Building on our success over the last few years, we will be driving continuous improvements to embed a culture of value creation in all aspects of our business.

To drive future value-based growth, we are also refining our long-term strategy.

Paul will, of course, go into more detail on our financial and operational performance for the year. After that we will open the session for any questions you may have.

[BONGANI] Slide 5: Robust all round performance despite continuing challenging environment

I will now take you through the salient features of our operational and financial performance for the year ended 30 June 2017.

In terms of safety, we delivered our best recordable case rate ever of 0,28. This encouraging statistic was, regrettably, overshadowed by five tragic fatalities.

This year we mourn the loss of Johannes Mpho Mashili, Gideon Coetzee, Carl Vermaak, Themba Mahlangu and Tyler Truett. Our thoughts and prayers go out to their families, friends and colleagues.

We are confident that we will reverse this trend and align it with our ever improving recordable injury trend. We are working towards improving our understanding of injury severity, which is essential to mitigate the prevalence of fatalities and high severity injuries.

Looking at our sales, Base Chemicals sales volumes increased by 3%. Performance Chemical sales increased by 2%. This was mainly on the back of stronger demand and improved stability of our operations.

Liquid fuels sales volumes decreased by 2%. This was due to the allocation of more volumes from Secunda Synfuels Operations to the higher margin yielding chemicals, as well as lower Natref production volumes.
- performance across most of the value chain. Our Secunda Synfuels Operations hit record volumes, up by 1%. Our Eurasian Operations delivered the highest production volumes since 2015, up by 6%.

We continued to deliver a stellar cost performance, with cash fixed costs flat in real terms for the third consecutive year. This is despite the additional once-off costs incurred due to the Mining strike.

Our continued delivery on cost, cash and capital conservation targets is key to maintaining our robust foundation.

Over the period, headline earnings per share were down by 15%, to R35,15 per share. Earnings per share were up by 54% to R33,36.

Taking into account the current volatile macro-economic environment, our capital investment plans and the current strength of our balance sheet, the Board declared a final dividend of R7,80 per share.

[STEPHEN] Slide 6: Competitive cost base driven by cash and cost savings programmes

One of the hallmarks of Sasol is our competitive cost base, driven in recent years by sustainable cost savings and our cash and capital conservation programme.

Through our continued focus on cost control, we achieved our full Business Performance Enhancement Programme, or BPEP savings target, of R5,4 billion 2017. This is one year earlier than planned.

With this sustainable savings target attained, we have now closed out BPEP and we are refocusing the organisation towards a continuous improvement approach to drive future value.

In 2017, through our low oil price Response Plan, we conserved R32,3 billion in cash and capital. The total value conserved since the start of the plan is now R69,4 billion. This brings us close to the upper end of our target range of R65 to R75 billion through to the end of the next financial year.

We have also increased our sustainable savings target for the Response Plan from R2,5 billion to at least R3 billion. Together with the R5,4 billion from BPEP, we will achieve at least R8,4 billion in sustainable cash cost savings from financial year 2019 onwards.

Owing to our competitive cost base, we can now operate profitably within a US$40 oil price environment.

[BONGANI] Slide 7: Actively managing the balance sheet to maintain resilience and flexibility

Given continued macro-economic volatility, we are actively mitigating our financial risks and maintain a prudent approach to protect and strengthen our balance sheet.

Here, specifically, we entered into various hedging contracts to protect the company against volatility in commodity prices, currencies and interest rate changes.

We also monitor our funding requirements continuously to ensure that we maintain appropriate levels of liquidity. This is to minimise any adverse impact on our investment grade credit rating, while ensuring we are able to fund our growth plans in line with our strategy.

Ongoing efforts are underway to create further headroom and we are committed to ensuring our gearing remains below our self-imposed level of 44%.

During the year we also maintained our investment grade credit rating. This, of course, remains a priority going forward.

[STEPHEN] Slide 8: LCCP on track and progressing well

The LCCP in Louisiana met key project milestones and was 74% complete by year-end. Construction execution now stands at 42%, with start-up of the first units still forecast for the second half of calendar year 2018.

Capital expenditure to date amounts to US$7,5 billion and we are closely tracking spend against the revised cost estimate of US$11 billion.

Key mitigating actions, which included project management changes and improvement in managing field work execution, have ensured that productivity on construction is now within the first quintile of industry comparisons.

The project's contingency, measured against industry norms for this stage of completion, is still considered sufficient to effectively complete the project to beneficial operation within the revised budget.

We also have a fully integrated business and operations readiness plan in place to enable the new facility to successfully get product to market. Our commissioning and marketing plans are well developed in this regard.

Looking at LCCP economics, we rely extensively on the views of independent market consultants in formulating our long-term assumptions. Their views differ significantly, which is indicative of the volatile environment we face.

The current view of the long-term internal rate of return, or IRR of the project, is expected to be between 7% and 8%. This is largely due to our change in assumptions on polyethylene margins and our continued use of conservative ethane pricing scenarios. We believe these assumptions are prudent in evaluating a long-term asset such as LCCP.

At spot market prices, however, using the last quarter of 2017, the IRR is between 8% to 8,5%.

We remain focused on improving future project returns and managing capital expenditure.

[BONGANI] Slide 9: PSA – Sasol remains committed whilst optimising our development plan

In Mozambique, we remain committed to our growth plans. This is despite the current financial challenges the country is facing.

Our US$1,4 billion initial development of the PSA progressed within our approved budget and schedule.

By year-end, six wells had been drilled, four oil and two gas wells, with capital expenditure at US384 million to date.

Gas reserves are in line with expectations, but oil production is expected to be in the mid to lower end of the range. As such, we are also optimising the design of the surface facilities to drive improved economics, with lower capital requirements.

The PSA is key to our integrated gas monetisation strategy in Mozambique and South Africa. Our investment affirms that Mozambique is critical for our 2050 strategy for Southern Africa, given the importance of securing gas feedstock for our integrated value chain.

[STEPHEN] Slide 10: Delivering on our broader sustainability and stakeholder commitments

As a credible partner to our stakeholders, particularly our fenceline communities, we are fully committed to delivering on our broader sustainability and stakeholder commitments.

In the past year alone, we invested R1,6 billion in skills and social programmes. Of this total, we disbursed R676 million globally towards social investment, of which 88% was here in South Africa.

Highlights from our programmes include investing over R30 million on increasing access to healthcare among our Southern African fenceline communities, impacting over 270 000 people.

We invested over R128 million in projects working in partnership with local government, and other stakeholders, to improve delivery of services.

Some six million learners benefited from our investments in improving science, technology, engineering and mathematics education in Southern Africa.

Furthermore, through funding of small, medium and micro enterprises, we have ensured the sustainable employment of over 4000 people.

We also procured over R7 billion in goods and services from black-owned businesses in South Africa during the reporting period.

[BONGANI] Slide 11: Continuous improvement to drive competitive advantage

As mentioned earlier, we are refocusing the organisation towards continuous improvement to drive our competitive advantage.

Our objective is to innovate, grow our return on invested capital and continue to manage our costs to below inflation.

This approach will be driven by critically objective assessments of our performance in all respects, supported by regular independent benchmarking.

It will require excellence in all we do, from achieving zero harm, to containing costs and operating all our assets effectively and efficiently.

We have also initiated a detailed asset review process to ensure that all assets in our portfolio deliver against our stringent financial metrics.

A further push is being focused on using current technology applications to redefine our customer experiences and embed digital advantages throughout Sasol's business.

A digital strategy and roadmap is being developed in this regard.

[STEPHEN] Slide 12: Long term strategy to drive value based growth

Our continued focus on delivering our strategic investments in North America and Southern Africa is pivotal to Sasol. As our results demonstrate, we made commendable progress in delivering on our medium-term strategy this year.

For the longer-term, we are further refining our corporate strategy. This is to ensure that we have a robust set of principles to drive our future growth and investments, irrespective of the macro-economic environment. It will also entail clarifying our strategic choices post LCCP.

Our stringent capital discipline has allowed us to optimise our overall capital expenditure. This ensures that the project pipeline is focused and value-accretive for our shareholders.

We look forward to sharing further details of this work at our Capital Markets days from November this year, both here in Johannesburg and New York City.

Paul will now take you through the detail of our financial and operational performance. We will then open up the session for questions.

Thank you.